

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**APRIL 30, 2002 AND 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/20/02

Arthur D. Matte  
Certified Public Accountant

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
APRIL 30, 2002**

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Arthur D. Matte  
Certified Public Accountant  
PO Box 1443  
Jennings, LA 70546

**INDEPENDENT AUDITOR'S REPORT**

To the Airport Commission of Airport District #1  
Of Jefferson Davis Parish  
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of Jefferson Davis Parish Police Jury, as of and for the years ended April 30, 2002 and 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Airport Commission of Airport District #1's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Airport Commission of Airport District #1 of Jefferson Davis Parish, as of April 30, 2002 and 2001, and the results of its operations and the cash flows of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 28, 2002, on my consideration of the Airport Commission of Airport District #1's internal control structure and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedule listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

Arthur D. Matte  
Certified Public Accountant

Jennings, Louisiana  
October 28, 2001

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**BALANCE SHEET  
As of April 30, 2002 and 2001**

	<u>April 30, 2002</u>	<u>April 30, 2001</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents		
Jeff Davis Bank	\$ 89,733	\$ 85,906
Jeff Davis Bank-IMMA	29,458	29,019
Jeff Davis Bank-CDs	610,048	459,881
Hibernia National Bank	6,287	2,792
Prepaid insurance	12,003	12,277
Total current assets	<u>\$ 747,529</u>	<u>\$ 589,875</u>
Property, plant and equipment:		
Land	\$ 993,549	\$ 993,549
Buildings, hangers and equipment	<u>5,080,921</u>	<u>4,821,590</u>
	6,074,470	5,815,139
Less accumulated depreciation	<u>2,134,892</u>	<u>2,003,386</u>
Net property, plant and equipment	<u>\$ 3,939,578</u>	<u>\$ 3,811,753</u>
Other assets:		
Utility line deposits	<u>\$ 73</u>	<u>\$ 73</u>
 Total assets	 <u><u>\$ 4,687,180</u></u>	 <u><u>\$ 4,401,701</u></u>
 <b>LIABILITIES AND FUND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 4,151	\$ 4,027
Prepaid rent	10,164	-0-
Due to Taco Bell	<u>5,808</u>	<u>5,808</u>
Total current liabilities	<u>\$ 20,123</u>	<u>\$ 9,835</u>
Fund equity:		
Contributed capital - donated assets	\$ 751,325	\$ 751,325
Contributed capital – grant fund	3,440,491	3,254,991
Retained earnings -- undesignated	<u>475,241</u>	<u>385,550</u>
Total fund Equity	<u>\$ 4,667,057</u>	<u>\$ 4,391,866</u>
 Total liabilities and fund equity	 <u><u>\$ 4,687,180</u></u>	 <u><u>\$ 4,401,701</u></u>

The Accompanying Notes Are An Integral Part Of This Statement

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURE  
AND CHANGES IN RETAINED EARNINGS  
As of April 30, 2002 and 2001**

	<u>April 30, 2002</u>	<u>April 30, 2001</u>
<b>Operating revenues:</b>		
Property rental income	\$ 277,475	\$ 277,874
Gallonage rental income	10,424	4,590
Miscellaneous income	-	27
Grant income	8,174	11,281
Total operating revenues	<u>\$ 296,073</u>	<u>\$ 293,772</u>
<b>Operating expenses:</b>		
Personal services:		
Salaries	\$ 3,200	\$ 2,750
Retirement	240	233
Advertising, dues and subscriptions:		
Dues and subscriptions	2,750	40
Office printing	1,335	404
Utilities:		
Telephone	1,877	1,783
Utilities	4,771	6,144
Repairs and maintenance:		
Airport	20,606	43,717
Buildings	544	-
Equipment	6,793	6,567
Materials and supplies:		
Office expense	42	502
Other operating expenses:		
Airport management contract	35,301	36,418
Professional fees	7,718	8,976
Commission expense - Payless	840	1,603
Insurance	12,277	11,298
Conventions	2,017	76
Travel	140	188
Recording Fees	30	-
Depreciation:	131,507	130,113
Total operating expenses	<u>\$ 231,988</u>	<u>\$ 250,812</u>
Operating income (loss)	<u>\$ 64,085</u>	<u>\$ 42,960</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	\$ 25,606	\$ 21,744
Total nonoperating income (expenses)	<u>\$ 25,606</u>	<u>\$ 21,744</u>
<b>Net income (loss)</b>	<u>\$ 89,691</u>	<u>\$ 64,704</u>
<b>Retained earnings, as of beginning of year</b>	<u>\$ 385,550</u>	<u>\$ 320,846</u>
<b>Retained earnings as of end of year</b>	<u>\$ 475,241</u>	<u>\$ 385,550</u>

The Accompanying Notes Are An Integral Part Of This Statement



**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**STATEMENT OF CASH FLOWS  
For the Years Ended April 30, 2002 and 2001**

	<u>April 30, 2002</u>	<u>April 30, 2001</u>
<b>Cash flows from operating activities:</b>		
Operating income(loss)	\$ 64,085	\$ 42,960
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	131,507	130,113
Net change in assets and liabilities:		
Decrease (increase) in prepaids	274	(6,077)
Increase (decrease) in accounts payable	124	(62,223)
Increase (decrease) in contracts payable	<u>10,164</u>	<u>-</u>
Net cash provided (used) by operating activities	\$ <u>206,154</u>	\$ <u>104,773</u>
<b>Cash flows from noncapital financing activities:</b>	\$ <u>-</u>	\$ <u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Contributed capital Grant monies	\$ 185,500	\$ 69,782
Payments for capital acquisitions	(259,332)	(17,293)
Interest Income	<u>25,606</u>	<u>21,744</u>
Net cash provided (used) by financing activities	\$ <u>(48,226)</u>	\$ <u>74,233</u>
<b>Cash flows from investing activities:</b>	\$ <u>-</u>	\$ <u>-</u>
Net increase (decrease) in cash and cash equivalents	\$ 157,928	\$ 179,006
Cash and cash equivalents at beginning of year	\$ <u>577,598</u>	\$ <u>398,592</u>
Cash and cash equivalents at end of year	\$ <u><u>735,526</u></u>	\$ <u><u>577,598</u></u>

The Accompanying Notes Are An Integral Part Of This Statement

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2002**

**INTRODUCTION**

Airport District #1 was created by Jefferson Davis Parish Police Jury Ordinance No. 483 on March 7, 1963 pursuant to Louisiana Revised Statutes 2:326 and is a political subdivision of Jefferson Davis Parish and the State of Louisiana. The Airport Commission is the governing authority of the Airport District consisting of five commissioners appointed by the Jefferson Davis Police Jury to varying terms. The Commission's primary source of revenue is through hangar, building and property rentals.

The accounting and reporting policies of the Airport Commission of Airport District #1 conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Government Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants. Our examination was also made in accordance with the provisions of *Government Auditing Standards*, promulgated by the United States Comptroller General, as they pertain to financial and compliance audits.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Overseeing responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the police jury appoints members of the board and has the ability to significantly influence operations, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the overseeing responsibility. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information of the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.



**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2002**

**C. FUND ACCOUNTING**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the general purpose financial statements is described as follows:

**PROPRIETARY FUND**

Enterprise Fund – Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

All proprietary funds are accounted for on a cost of service or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary funds type operating statements present increases (revenue) and decreases (expenses) in net total assets.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity is segregated into contributed capital (if any) and retained earnings components. Proprietary fund type operating statements presents increases and decreases in net total assets. All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**E. BUDGETARY PRACTICES**

The Commission was not required and did not adopt a budget for the fiscal years ended April 30, 2002 and 2001

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2002**

**F. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principles offices in Louisiana.

Under state law, the Commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**G. PREPAID INSURANCE**

Prepaid insurance in the enterprise fund consists of insurance expenses to be allocated ratably over the policy periods. The costs are recorded as prepaid expenses at the time the insurance premiums are paid.

**H. FIXES ASSETS**

All fixed assets are valued at historical cost or if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation has been calculated on each class of depreciable property using the straight-line method over the estimated useful lives of the assets.

**I. COMPENSATED ABSENCES**

The Commission has no formal vacation and sick leave policy adopted since it has only one part-time employee and provides for no compensated absences.

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2002**

**J. FUND EQUITY**

**Contributed Capital**

Contributed capital is recorded in the proprietary fund when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. For the year ending April 30, 2002 and 2001 the Commission received the following amounts from the following agencies:

	<u>2002</u>	<u>2001</u>
Department of Transportation/ Federal Aviation Administration	\$ 170,500	\$ 61,805
State of Louisiana DOTD	<u>15,000</u>	<u>7,977</u>
Total	\$ <u>185,500</u>	\$ <u>69,782</u>

**2. CASH AND INVESTMENTS**

At April 30, 2002 and 2001, the Commission has cash and cash equivalents totaling \$ 735,526 and \$ 577,598 respectively, as follows:

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$ 96,020	\$ 88,698
Interest bearing demand deposits	29,458	29,019
Interest bearing time deposits	<u>610,048</u>	<u>459,881</u>
Total	\$ <u>735,526</u>	\$ <u>577,598</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at April 30, 2002 and 2001, are secured as follows:

	<u>2002</u>	<u>2001</u>
Bank Balances	\$ <u>735,526</u>	\$ <u>577,598</u>
Insured (FDIC)	196,020	188,698
Uninsured, uncollateralized:		
Pledged securities held by pledging Bank's agent in Bank's name	<u>539,506</u>	<u>388,900</u>
Total	\$ <u>735,526</u>	\$ <u>577,598</u>



**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2002**

Even though the pledged securities are considered uncollateralized-uninsured under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Airport Commission of Airport District #1 of Jefferson Davis Parish that the fiscal agent has failed to pay deposited funds upon demand.

**3. FIXED ASSETS**

A summary of property, plant, and equipment follows:

	<u>2002</u>	<u>2001</u>
Land	\$ 993,549	\$ 993,549
Runways and Improvements	3,778,150	3,574,619
Buildings and Hangers	896,936	861,107
Improvements Other Than Buildings And Hangers	303,535	299,316
Furniture and Equipment	80,445	80,445
Construction-In-Progress	21,855	6,103
Sub-Total	\$ <u>6,074,470</u>	\$ <u>5,815,139</u>
Less Accumulated Depreciation	\$ <u>2,134,892</u>	\$ <u>2,003,386</u>
Total	\$ <u><u>3,939,578</u></u>	\$ <u><u>3,811,753</u></u>

Fully depreciated assets totaled \$ 759,764 and \$ 726,545, respectively at April 30, 2002 and 2001.

**4. COMPENSATION PAID TO BOARD MEMBERS**

The Commission paid no compensation to board members for the years ended April 30, 2002 and 2001.

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2002**

**5. LEASES**

At April 30, 2002 and 2001, the cost of property the Commission held for leases was \$841,041 and \$805,213, respectively, with accumulated depreciation of such property of \$ 640,119 and \$ 624,001, respectively.

Future minimum rentals on non-cancelable leases of such property in aggregate are as follows:

	<u>2002</u>	<u>2001</u>
Fiscal Year:		
2002	\$ -0-	\$ 236,589
2003	208,369	208,369
2004	195,873	195,873
2005	142,472	142,472
2006	93,824	93,824
2007	80,304	-0-
Thereafter	<u>128,247</u>	<u>208,551</u>
Total	\$ <u>849,089</u>	\$ <u>1,085,678</u>



**SUPPLEMENTAL SCHEDULE**

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1  
OF JEFFERSON DAVIS PARISH  
Jennings, Louisiana**

**SCHEDULE OF PROPERTY RENTAL AND GALLONAGE RENTAL INCOME  
For the Years Ended April 30, 2002 and 2001**

	2002	2001
<b>PROPERTY RENTAL INCOME</b>		
Large hanger	\$ 1,725	\$ 987
T-hanger	15,355	16,075
Acadian Ambulance	3,575	3,025
Acadiana III	3,600	3,600
Bubba Oustalet	28,800	28,800
D&D Brokers	8,400	9,100
Jeff Davis Bank	30,000	30,000
M P & A Trucking	33,291	31,212
Macro Oil	13,500	18,000
Payless	12,992	12,720
Shop Rite	79,872	79,872
Taco Bell	18,876	17,424
Waffle House	9,009	8,580
Wendy's	18,480	18,480
	<u>277,475</u>	<u>277,875</u>
Total property rental income	\$ <u>277,475</u>	\$ <u>277,875</u>
 <b>GALLONAGE RENTAL INCOME</b>		
Riceland Aviation	\$ 1,871	\$ 836
Macro Oil/Shop Rite	<u>8,552</u>	<u>3,755</u>
	<u>10,423</u>	<u>4,591</u>
Total gallonage rental income	\$ <u>10,423</u>	\$ <u>4,591</u>

The Accompanying Notes Are An Integral Part Of This Statement

## **OTHER REPORTS**

Arthur D. Matte  
Certified Public Accountant  
PO Box 1443  
Jennings, LA 70546

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Airport Commission of Airport District #1  
Of Jefferson Davis Parish  
Jennings, Louisiana

I have audited the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, as of and for the years ended April 30, 2002 and 2001, and have issued my report thereon dated October 28, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Airport Commission of Airport District #1 of Jefferson Davis Parish's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Airport Commission of Airport District #1 of Jefferson Davis Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Arthur D. Matte*  
Certified Public Accountant

Jennings, Louisiana  
October 28, 2002